

## Jefferson County Donated Agricultural Conservation Easement Example:

Jefferson County accepts voluntarily donated conservation easements from landowners at any time. This is a significant tax management tool for those who would like to realize value from their land without selling lots and would also like to permanently protect farmland.



### Donated Easement Process:

1. Landowners are encouraged to contact their own financial advisor, accountant, and/or attorney to determine if donating an easement fits with their financial and tax situation and estate plans.
2. Fill out a Jefferson County Farmland Conservation Easement Program application and submit it to the Jefferson County Land & Water Conservation Department (920) 674-7110.
3. The Jefferson County Farmland Conservation Easement Commission reviews the application and pertinent maps prepared by the Land and Water Conservation and Zoning Departments.
4. Each easement is unique to the landowner's situation and each one is different. A sample easement will be provided that landowners may modify or they can have their own easement written at their expense. The County will also accept easement co-holders or backup holders, such as a land trust. It is the landowner's responsibility to obtain and designate other holders if so desired.
5. The Jefferson County Farmland Conservation Easement Commission approves the easement itself.
6. The easement is approved by the Jefferson County Board and then recorded with the Register of Deeds.
7. The landowner is responsible for the appraisal. The appraisal must be done according to IRS guidelines in order to qualify for the tax incentives. Jefferson County is not involved in the appraisal process, value of the appraisal, nor with the landowner's tax return.
8. The landowner can begin claiming the income tax deduction in the year the easement was accepted by the County. The Jefferson County Clerk must sign IRS Form 8283, which substantiates the donation.
9. Jefferson County enforces the provisions of the easement on current and subsequent landowners.

### Landowner Costs:

Cost of preparing the easement, cost of the appraisal, and cost of filing appropriate tax forms.

### Value of the easement donation:

A real example from the Town of Palmyra in December 2007

Value of 34 acres with 3 2 acre lots available	\$340,000.00
Value of 34 acres without development rights	<u>- \$100,000.00</u>
Value of the easement donation	\$240,000.00

### Tax Incentive Law:

The current federal law in place until December 31, 2011 allows qualifying ranchers and farmers (over 50% of income from farming or ranching) to deduct the value of the conservation easement from 100% of their adjusted gross income. The law extended the carry-forward period for the donor to take the deductions to 16 years. Non-farmers may deduct the value of the easement from 30% of their adjusted gross income over 16 years. There may be Wisconsin tax incentives as well. Please see your attorney, accountant, or tax preparer for more details. The Land Trust Alliance website provides up to date information at [www.landtrustalliance.org](http://www.landtrustalliance.org) under Policy.